

FY2016 Budget Notes

1. The SirsiDynix annual license/maintenance bill (pro-forma, and could change a little before the actual invoice is received in June) is \$246,535.35. That is slightly \$10,000 more than last year's bill. The main increase is for the annual license for MobileCirc; \$6,016.35. The remaining increase is an inflation factor of 1.7%.
2. MSL Indirect Services cost is expected to increase from \$9,968 to \$12,625. This cost was added to the MSC budget last year for the first time. The description and history behind this cost are described in an accompanying document for this meeting.
3. A third, significant cost increase is in the hardware maintenance contracts with IBM for our production and test servers and the AIX operating system. We have been paying an average of \$5,500/year for the test server's hardware maintenance agreement. A 5 year hardware/software maintenance agreement for the production server was included in the in the overall cost when we purchased that server in 2010. That coverage on the production server expired on Mar 5, 2015. We have purchased a one year extension that will keep the production server covered until Mar 5, 2016. We will need to renew maintenance agreements for both servers in Marcy, 2016 and hope IBM will include a cost break for having both servers on the same contract. We have increased the IBM hardware/software maintenance to \$11,800 for the FY2016 budget to cover the cost for a combined contract.
4. Salary cost for 2.67 FTE is projected to be \$144,106 and is the amount used in preparing the FY2016 budget. The State Legislature has tabled the proposal for a state employee salary increase. We have applied \$28,810 "vacancy savings" to projected revenue. This is the forecast amount remaining from FY2015 salary expenses due to: (1) The new cataloging/support position wasn't filled until October, (2) Melody's departure and the one month interim before Amy was hired to replace Melody as the System Tech and, (3) the 3 months that the Trainer/Support position was vacant before Jessie was hired to replace Amy. It is important to be aware that applying the vacancy savings to FY2016 salary offsets the other increases in the budget by an average of less than 1% from last year. Members could see a major jump in the FY2017 budget if the current operations and salary costs remain unchanged for that budget year.
5. Even though the membership approved purchase of eResource Central, We have removed it as a potential cost in FY2016. Other consortium users of the product have reported problems with the product that need to be corrected before reconsidering its purchase. The product does show promise for handling electronic resources and we should continue to

watch its development closely in the coming year to determine if it's something we could implement in the future.

6. The Executive board has approved the recommendation to no longer include Overdrive titles in the count totals used in the cost sharing formula. We have counted them in the past because these titles could be “placed on hold” and “checked out”. Some libraries have had these titles removed from their collections to avoid the additional charge associated with more than 20,000 titles that are not “physically” in their library. Patrons of these libraries must use MTLib2Go rather than eLibrary/Enterprise, for discovering downloadable titles. We shouldn't penalize those libraries that choose to have their Overdrive titles discoverable in the OPAC. The added titles also skew the title-count definitions in the by-laws of a “large”, “medium” and “small” public library. If the membership approves, there will be changes reflected in where libraries will fall under the size definitions in the “MSC Members by Executive Board Seat” document. An updated Exec Seat listing has been prepared to replace the current document if the title count change is approved. Another effect of this change will be which libraries qualify for the title breaks built into the sharing formula.

7. We noted a significant decrease in the number of user records for many libraries. Because of the relatively significant changes in patron counts, coupled with the title count changes noted in paragraph 6, you will see a wider range of cost percentage change per library. Some libraries' costs decreased or increased as much as 50% from last year. The larger changes are due to whether the library now qualifies, or no longer qualifies for 1 or more of the 3 cost breaks built into the formula. Most libraries are within a + or – 10% of last year's cost.

8. The “Training, Travel and Meetings” decreased slightly based on actual costs over the past year.